

WASHINGTON STATE  
OFFICE OF THE INSURANCE COMMISSIONER  
OLYMPIA, WASHINGTON

REQUEST FOR PROPOSALS

ISSUE DATE: April 16, 2004

FOR  
ACCOUNTING and LEGAL  
CONSULTANT SERVICES

PROPOSAL DUE DATE:

May 14, 2004

CONSULTANT ELIGIBILITY: This procurement is open to those consultants that satisfy the minimum qualifications stated herein and that are available for work in Washington State.

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### RFP APPENDICES:

Exhibit A	Certifications and Assurances
Exhibit B	Checklist for Responsiveness
Exhibit C	Personal Service Contract Format including General Terms and Conditions (GT&C's)

## **1. INTRODUCTION**

### **1.1. PURPOSE**

The purpose of this procurement is to select one or more consultants to perform accounting and legal consulting services for the Washington State Office of the Insurance Commissioner (OIC). The contractor(s) will provide support services identified in paragraphs 3.2-3.3 to the OIC. Bidders must demonstrate an ability to draw from resources in their organization both locally and nationally. They must show an ability to deliver a broad base of consulting talent. Consultants should have demonstrated expertise in statutory accounting or legal consulting services regarding the acquisition of control of insurers. The Scope of Work is detailed in Section 3 of this document.

This Request for Proposals and its attachments can be accessed electronically at <http://www.insurance.wa.gov>.

### **1.2. BACKGROUND**

The OIC is an independent state agency led by a state-wide elected Insurance Commissioner. The Insurance Commissioner is responsible for the administration and enforcement of Title 48 RCW (Washington Insurance Code).

The Acquiring Party proposes to acquire the SAFECO entities in a transaction described in a Form A filed on April 9, 2004. The SAFECO entities are both Washington domestic stock insurers subject to the requirements of Chapter 48.31B RCW. The proposed transaction requires the Commissioner's approval following a public hearing. The required public hearing will be scheduled after the Commissioner determines that the Form A is complete.

Pertinent and public portions of the Form A can be accessed at [www.insurance.wa.gov](http://www.insurance.wa.gov). The entire public portion of the Form A can be reviewed at the Commissioner's office, by appointment, between 8am and 5pm, Monday through Friday, except for holidays. Hard copies of the public portions of the Form A will be provided only upon receipt of copying and shipping charges.

For ease of reference, this document will use "SAFECO entities" to refer to SAFECO Life Insurance Company and SAFECO National Life Insurance Company, the Washington domestic stock insurers being acquired.

For ease of reference, this document will use "Acquiring Party" to refer to OCCUM ACQUISITION CORP., WHITE MOUNTAINS INSURANCE GROUP, LTD., and WHITE MOUNTAINS RE GROUP, LTD., the parties acquiring SAFECO entities.

### **1.3. MINIMUM QUALIFICATIONS**

Proposals will be accepted from Bidders who meet or exceed the following criteria. Bidders must:

1.3.1. Be appropriately licensed for the services to be performed.

1.3.2. Demonstrate knowledge of, and prior experience in, the areas of work for which the Bidder is submitting a proposal. Qualified Bidders must have previously held responsibilities substantially the same as, or very similar to, the scope of work in Section 3 of this RFP for major employers. Qualified Bidders must have provided evaluations or opinions to a state regulator for an insurer acquisition within the last 10 years.

1.3.3. The primary services could be located out-of-state, but persons responsible for the services to be performed must be readily accessible to the OIC and be available for meetings, presentations, and testimony in –person in Washington as requested by the RFP Coordinator.

1.3.4. Agree to the Certifications and Assurances set forth in Exhibit A.

1.3.5. Submit proposals as specified in Section 4, “Proposal Contents” of this RFP.

#### **1.4. FUNDING**

Chapter 48.31B RCW requires persons acquiring an insurer to fund costs incurred by the Insurance Commissioner in a review of the proposed acquisition, subject to the provisions of such Chapter, including, without limitation, RCW 48.31B.015(4)(c). The services sought by the RFP are specifically included in the requirement for payment by the Acquiring Party. The terms and conditions of engagement of the successful bidder will be negotiated by the OIC, however, the successful bidder will look solely to the Acquiring Party for payment.

#### **1.5. PERIOD OF PERFORMANCE**

The period of performance of any contract resulting from this RFP is tentatively scheduled for June 1, 2004 to December 31, 2004. The contract may be extended twice by amendment for a period of one year each, at the sole discretion of the OIC, and will not exceed three (3) years in total for the contracting period. Notwithstanding the foregoing, the contract shall be terminated effective immediately at such time as the Acquiring Party has provided written notice to the OIC that it no longer intends to pursue acquisition under Chapter 48.31B. The Acquiring Party will remain responsible for the payment of all reasonable costs incurred pursuant to the contract prior to OIC receipt of the Acquiring Party’s notice that it no longer intends to seek a change in control.

## **2. GENERAL INFORMATION FOR BIDDERS**

### **2.1. RFP COORDINATOR**

The RFP Coordinator is the sole point of contact in the OIC for this procurement. All communication between the Bidder and the OIC upon receipt of this RFP shall be with the RFP Coordinator:

James T. Odiorne  
OFFICE OF THE INSURANCE COMMISSIONER  
P.O. Box 40259  
Olympia, Washington 98504-0259

Phone Number: (360) 725-7214  
Fax Number: (360) 586-2022  
Email Address: JimO@oic.wa.gov

Email is the preferred method for submitting RFP questions. All questions, however transmitted, must identify the person and organization asking the question and provide a telephone number for question clarification.

Oral responses to questions from Bidders do not amend, alter, or modify this RFP. Bidders are to rely on written statements issued by the RFP Coordinator. Any other communication will be considered unofficial and non-binding on the OIC. Communication directed to parties other than the RFP Coordinator may result in disqualification of the Bidder.

RFP Coordinator will transmit a consolidated response to all questions received by April 30, 2004, to all persons/entities who were mailed an RFP. No response will be made to questions received after April 30, 2004.

## **2.2. ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES**

Issue Request for Proposals	April 16, 2004
Last date for questions	April 30, 2004
Proposals due	May 14, 2004
Announce "Apparent Successful Bidder" and notification to unsuccessful Bidders	May 19, 2004
Final contract negotiation completed	May 26, 2004
Begin Contract Work	May 28, 2004

The OIC reserves the right to revise the schedule.

## **2.3. SUBMISSION OF PROPOSALS**

Bidders must send their responses to this RFP in hard copy form, for receipt by the OIC, no later than 3:00 p.m., PDT, on May 14, 2004.

The envelope should be clearly marked to the attention of the RFP Coordinator. Bidders should allow adequate delivery time to ensure timely receipt of their complete response by the RFP Coordinator. The OIC assumes no responsibility for delays caused by any delivery service.

Late proposals will not be accepted and will be automatically disqualified from further consideration. All proposals and any accompanying documentation become the property of the OIC and will not be returned.

## **2.4. PROPRIETARY INFORMATION/PUBLIC DISCLOSURE**

Materials submitted in response to this competitive procurement become the property of the OIC.

All proposals received will remain confidential until the contract, if any, resulting from this RFP is signed by the OIC and the successful Contractor; thereafter, the proposals shall be deemed public records as defined in RCW 42.17.250 to 42.17.340, "Public Records."

All information in the proposal that the Bidder desires to claim as proprietary and exempt from disclosure under the provisions of RCW 42.17.250 to 42.17.340 must be clearly designated. Each page must identify the particular exception from disclosure upon which the Bidder is making the claim. Each page claimed to be exempt from disclosure must be clearly identified by the word "Confidential" printed on the lower right hand corner of the page.

The OIC will consider a Bidder's request for exemption from disclosure; however, the OIC will make a decision predicated upon applicable laws. Marking the entire proposal exempt from disclosure will not be honored. The Bidder must be reasonable in designating information as confidential. If a request for release of any part of the Bidder's proposal is received and the request includes a request for release of any information that is marked as proprietary in the proposal, such information will not be made publicly available until the affected Bidder had been given an opportunity to seek a court injunction against the requested disclosure.

A charge will be made for copying and shipping, as outlined in RCW 42.17.300. No fee will be charged for inspection of contract files, but twenty-four (24) hours' notice to the RFP Coordinator is required. All requests for information should be directed to the RFP Coordinator.

## **2.5. REVISIONS TO THE RFP**

In the event it becomes necessary to revise any part of this RFP, addenda will be provided to all who receive the RFP.

The OIC also reserves the right to cancel or to reissue this RFP in whole or in part, prior to execution of a contract.

## **2.6. RESPONSIVENESS**

All proposals will be reviewed by the RFP Coordinator to determine compliance with administrative requirements and instructions specified in this RFP. The Bidder is specifically notified that failure to fully comply with any part of the RFP may result in rejection of the Bidder's entire proposal as non-responsive.

The OIC also reserves the right, however, at its sole discretion to waive minor administrative irregularities.

## **2.7. ACCEPTANCE PERIOD**

Proposals must provide sixty (60) days for acceptance by the OIC from the due date for receipt of proposals.

## **2.8. REJECTION OF PROPOSALS**

The OIC reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract as a result of this RFP.

## **2.9. MOST FAVORABLE TERMS**

The OIC reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms that the Bidder can propose. There will be no best and final offer process. The OIC reserves the right to contact any Bidder for clarification of its proposal.

The proposal should be complete and any irregularities, exceptions or the like should be mentioned in the cover letter.

The Bidder should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. Contract negotiations may incorporate some or all of the Bidders proposal. It is understood that the proposal will become a part of the official file on this matter without obligation to the OIC.

## **2.10. NO OBLIGATION TO CONTRACT**

This RFP does not obligate Washington State or the OIC to contract for services specified herein.

## **2.11. COSTS TO PROPOSE**

Neither the OIC nor the Acquiring Party will be liable for any costs incurred by the Bidder in preparation of a proposal submitted in response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP.

## **2.12. COMMITMENT OF FUNDS**

Subject to the terms of this RFP, the Insurance Commissioner or his delegate are the only individuals who may legally commit the Acquiring Party to the expenditures of funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

## **3. SCOPE OF WORK**

The OIC may choose one primary consultant who will perform the bulk of the services and one or more consultants to perform some portion of the remaining services or to act as backup to the primary consultant. In the alternative, the OIC may choose one

consultant to perform all of the services. The final contracting decision will be made after proposals arrive and the OIC has an opportunity to review them to determine what consultant or combination of consultants best fit the needs of the agency. Consultants may bid on all of the services as a block or may select the specific services they are interested in providing. However, a consultant who bids on all the services as a block will not be awarded a bid for selected services, unless the bid includes not only a price for the block of services but also a price for selected services.

Consultants must clearly state in their Submittal Letter the categories and specific numbered areas listed below for which they are bidding.

### **3.1. DESCRIPTION OF WORK TO BE PERFORMED**

The services identified will be performed pursuant to the Insurance Commissioner's statutory authority concerning the planned acquisition of SAFECO Life Insurance Company and SAFECO National Life Insurance Company, both of which are Washington domestic stock insurers. The purposed acquisition is described in a Form A filing received by OIC on April 9, 2004, which can be accessed at [www.insurance.wa.gov](http://www.insurance.wa.gov). Hard copies of the Form A will not be provided except upon prepayment of copying and shipping costs. Unless otherwise specifically noted, the services identified and all deliverables and documents developed through these services will be available to and used by the Washington State Office of the Insurance Commissioner (OIC), as well as the Acquiring Party and its consultants and legal advisors.

Bidders may submit proposals on any or all of the identified services, as long as the Bidder is qualified to perform the services. A separate proposal should be submitted for each identified service the Bidder proposes to offer. Sub-contracting is not an acceptable manner to provide the identified services.

### **3.2. ACCOUNTING SERVICES TO BE PROVIDED**

3.2.1.1 OIC seeks to retain the expert services of an accounting firm in order to assist in evaluating the proposed transactions consistent with the standards of review set forth in Chapter 48.31B RCW, applicable to the Acquiring Party and its proposed transactions. Subject to the foregoing, the accounting firm may be asked to prepare an evaluation and assist in determining whether: (i) After the change of control, the domestic insurers which are the subject of the proposed acquisition would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed; (ii) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein; (iii) The financial condition of an acquiring party is such as might jeopardize the financial stability of the insurers, or prejudice the interest of its policyholders; (iv) The plans or proposals that the acquiring party has to liquidate the insurers, sell their assets, consolidate or merge them with any person, or to make any other material change in their business or corporate structure or management, are unfair and unreasonable to policyholders of the insurers and not in the public interest; (v) The competence, experience, and integrity of those persons who would control the operation of the



insurers are such that it would not be in the interest of policyholders of the insurers and of the public to permit the acquisition of control; and (vi) The acquisition is likely to be hazardous or prejudicial to the insurance-buying public. The evaluation may also include offering an opinion on whether the terms and conditions of the transaction are fair and reasonable and the consideration being offered is fair value.

3.2.1.2 Prior to performing any work, the contractor and James T. Odiorne, OIC, will define the scope and hours expected to complete the task/s. Contractor shall not exceed the agreed upon scope/hours without specific written permission from James T. Odiorne.

3.2.1.3 The contractor will review paper documents provided by the Acquiring Party, the SAFECO entities, the OIC, and contractors retained by those parties. Most of the work will be performed at the offices of the contractor firms. Some travel to Washington may be necessary in order for the contractor to review additional documents and provide face-to-face consultation with the OIC. Contractor could spend time at the offices of the Acquiring Party and SAFECO entities depending on the course of events. The OIC will conduct a public hearing and contractor may need to attend to make presentations or provide testimony. In addition, the contractor may be asked to review and evaluate oral and written comments submitted at the public hearing or as part of the record of proceedings and, where appropriate, address such comments in the contractor's testimony at the public hearing.

### **3.2.2. Deliverables.**

By June 4, 2004, a preliminary written evaluation on the completeness of the Form A filing will be submitted to the OIC. Dates for subsequent and/or interim final reports on completeness will be scheduled by the OIC after discussions and input from the successful bidder. By June 23, 2004, a draft written evaluation regarding each of the items identified in the Accounting Services to be Provided described in paragraph 3.2.1.1 will be submitted to the OIC. Dates for subsequent interim/final evaluations will be scheduled by the OIC after discussions and input from the successful bidder. The successful bidder should anticipate intensive use of resources during June, July, and most likely August of 2004.

Completion dates for deliverables are subject to adjustment based on access to and delivery of all requested documents and information by the SAFECO entities and the Acquiring Party.

### **3.2.3. State Resources to be Provided**

OIC intends to retain outside legal consultant for assistance in evaluating and overseeing these proposed transactions. OIC employees from the Company Supervision, Rates and Forms, and Legal Affairs Divisions may also be available to provide assistance.

#### **3.2.4. Timeline**

The Insurance Commissioner wishes to retain the services of an accounting firm immediately.

### **3.3. LEGAL SERVICES TO BE PROVIDED**

3.3.1.1 OIC seeks to retain the expert services of a law firm in order to assist in evaluating the proposed transactions consistent with the standards of review set forth in Chapter 48.31B RCW, applicable to the Acquiring Party's proposed transactions. Subject to the foregoing, the law firm will be asked to: 1) analyze documents submitted in conjunction with a change of control of Washington domestic stock insurers pursuant to Chapter 48.31B RCW; 2) analyze transaction documents to determine whether the transaction complies with all requirements of Title 48 RCW, Title 284 WAC, other applicable Washington statutes and regulations, and applicable federal statutes and regulations; and 3) analyze transaction documents to form an opinion as to whether or not the proposed transaction meets the criteria of RCW 48.31B.015(4)(a). The law firm will analyze documents and data provided by the Acquiring Party, SAFECO entities, and will be available to assist OIC staff and other retained experts in their evaluation of the proposed transaction.

3.3.1.2 Prior to performing any work, the contractor and James T. Odiorne, OIC, will define the scope and hours expected to complete the task/s. Contractor shall not exceed the agreed upon scope/hours without specific written permission from James T. Odiorne.

3.3.1.3 The contractor will review paper documents provided by the Acquiring Party, SAFECO entities, OIC, and contractors retained by the parties. Most of the work will be performed at the offices of the contractor firms. Some travel to Washington may be necessary in order for the contractor to review additional documents and provide face-to-face consultation with OIC. Contractor could spend time at the offices of the Acquiring Party, SAFECO entities depending on the course of events. The OIC will conduct a public hearing and contractor may need to attend to make presentations or provide testimony. In addition, the contractor may be asked to review and evaluate oral and written comments submitted at the public hearing or as part of the record of proceedings and, where appropriate, address such comments in the contractor's testimony at the public hearing.

#### **3.3.2. Deliverables.**

By June 4, 2004, a preliminary written evaluation on the completeness of the Form A filing will be submitted to the OIC. Dates for subsequent and/or interim final reports on completeness will be scheduled by the OIC after discussions and input from the successful bidder. By June 23, 2004, a draft written evaluation regarding each of the items identified in the Accounting Services to be Provided described in paragraph 3.3.1.1 will be submitted to the OIC. Dates for subsequent interim/final evaluations will be scheduled by the OIC after discussions and input from the successful bidder. The successful bidder should anticipate intensive use of resources during June, July, and most likely August of 2004.

Completion dates for deliverables are subject to adjustment based on access to and delivery of all requested documents and information by the SAFECO entities and the Acquiring Party.

### **3.3.3. State Resources Provided**

OIC intends to retain an accounting firm for assistance in evaluating and overseeing these proposed transactions. OIC employees from the Company Supervision, Rates and Forms, and Legal Affairs Divisions may also be available to provide assistance.

### **3.3.4. Timeline**

The Insurance Commissioner wishes to retain the services of a law firm immediately.

## **4. PROPOSAL CONTENTS**

Proposals must be submitted in four major sections and in the order noted below:

- 1) Letter of Submittal;
- 2) Management Proposal;
- 3) Technical Proposal; and
- 4) Cost Proposal.

Proposals must provide information in the same order presented in this document with the same headings. This will not only be helpful to the evaluators of the proposal, but should assist the Bidder in preparing a thorough response.

In order for a proposal to be considered responsive, all items in this section marked “mandatory” must be included as part of the proposal even though these items are not scored. Items marked “scored” are those that are awarded points as part of the evaluation.

### **4.1. LETTER OF SUBMITTAL (MANDATORY)**

Along with introductory remarks, the Letter of Submittal must include or attach the following information about the Bidder and any proposed subcontractors. The letter of submittal must be included with the Bidder’s proposal.

4.1.1. Name, address, principal place of business, telephone number, fax number and e-mail address of the legal entity or individual with whom contract would be written.

4.1.2. Clearly state the portion(s) of the Scope of Work for which the Bidder is submitting a proposal. Bidders submitting proposals for any line item portions of the Scope of Work should do so by listing the numbers corresponding to the items in the Scope of Work.

4.1.3. Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.).

4.1.4. Legal status of the Bidder (sole proprietorship, partnership, corporation, etc.), and the year the entity was organized to do business as the entity now substantially exists.

4.1.5. Federal Employer Tax Identification number or Social Security number and the Washington Uniform Business Identification (UBI) number issued by the State of Washington Department of Revenue (if applicable).

4.1.6. Location of the facility from which the Bidder would operate.

4.1.7. Identify all current or former officers, directors, and employees of the SAFECO entities and the Acquiring Party for which the firm has provided services, or has any other relationship within the past 10 years.

4.1.8. Identity of any employees or former employees of the State of Washington employed by or on the firm's governing board as of the date of the proposal. For former State employees, provide the date State service terminated. Include their title, position and responsibilities within the Bidder's organization. If, following a review of this information, it is determined by the OIC that a conflict of interest exists, the Bidder may be disqualified from further consideration for the award of a contract.

4.1.9. Identify all engagements of the firm by the Acquiring Party, the SAFECO entities, or affiliates of either within the past 10 years.

## **4.2. CERTIFICATIONS AND ASSURANCES (MANDATORY)**

The Certifications and Assurances form (Exhibit A of this RFP) must be signed and dated by a person authorized to legally bind the Bidder to a contractual relationship and must be received by the RFP Coordinator by the proposal due date.

## **4.3. MANAGEMENT PROPOSAL (SCORED)**

### **4.3.1. Contract Management**

4.3.1.1. Provide a description of the proposed staff structure and internal controls to be used during the course of the contract, including any subcontractors. Provide an organizational chart of your firm indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. Identify who within the firm will have prime responsibility and final authority for the work under the proposed contract.

4.3.1.2. Identify staff, who will be assigned to the potential contract, indicating the responsibilities and qualifications of such personnel, and include the amount of time each will be assigned to perform services under the contract. Provide resumes for the named staff which include

information on the individual's particular skills related to this project, education, experience, significant accomplishments and any other pertinent information. The Bidder must commit that staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the OIC.

4.3.1.3. Describe the location of offices of the Bidder that will provide assistance or materials to the OIC. If a Bidder will use multiple sites, please describe how the persons responsible for services to be performed will be accessible to the OIC.

#### 4.3.2. References

List names, addresses, telephone numbers, fax numbers and e-mail addresses of three business references for which similar work has been accomplished and briefly describe the type of service provided. The Bidder must grant permission to the OIC to contact the references. Do not include current OIC staff as references. References will be contacted for the top-scoring proposal(s) only.

### **4.4. EXPERIENCE OF THE CONSULTANT (SCORED)**

By submitting a proposal the Bidder grants OIC permission to contact any and all contacts and references.

4.4.1. List contracts still in force that the Bidder may have entered into or performed services under during the last five years for clients for which the Bidder provided similar services to those called for under this RFP. List contract reference numbers, contract period of performance, contact persons, and telephone numbers. List both public and private sector contracts.

4.4.2. List contracts that terminated during the last five years for clients for which the Bidder provided services similar to those called for under this RFP. List contract reference numbers, contract period of performance, contact persons, and telephone numbers and why the contract terminated. List both public and private sector contracts.

4.4.3. Describe the Bidder's experience working with regulators in the review of insurer acquisitions. State the number of years of experience, the size of the acquisition, regulators for whom services were provided, and the specific services provided.

4.4.4. Provide a description of the Bidder's experience in working with state regulators. State the type of issues and the Bidder's role. Summarize your services in this and other states.

4.4.5. Provide an example of the type of billing used by the Bidder. The OIC will require a detailed break down by category and line item as well as program, hours and specific activity.

#### 4.4.6. Related Information

4.4.6.1. If the Bidder contracted with the State of Washington during the past 24 months, indicate the name of the agency, the contract number and project description and any other information available to identify the contract.

4.4.6.2. If the Bidder's staff was an employee of the State of Washington during the past 24 months, or is currently a Washington, state employee, identify the individual by name, the agency previously or currently employed by, job title or position held and separation date.

4.4.6.3. If the Bidder has had any contract terminated for default in the last five years, or any lawsuit filed by or filed against a party with which the Bidder is now contracting with or has contracted with in the last five years, describe such incident. Termination for default is defined as notice to stop performance due to the Bidder's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the Bidder, or (b) litigated and such litigation determined that the Bidder was in default. Submit full details of the terms for default including the other parties name, address, and phone number. Present the Bidder's position on the matter. The OIC will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience. If the Bidder has experienced no such termination for default in the past five years, so indicate.

#### 4.5. TECHNICAL PROPOSAL (SCORED)

4.5.1. The Technical Proposal must demonstrate knowledge of and prior experience in the areas of work for which the Bidder is submitting a proposal. The proposal must contain a comprehensive description of previous experience, approaches to accomplishing the work, examples of how the Bidder has performed the services for other clients, and how the services will be handled for the OIC. Describe how the work will be routed and assigned to the appropriate person, and how timely completion of services will be ensured. Include any required involvement of OIC staff. Fully complete each section or line item for which the Bidder is submitting a proposal.

4.5.2. Bidder shall submit a sample of its work for each of the service types bid: accounting and legal services. The client names and other identifiers may be redacted, at the option of Bidder. The actuarial sample must include trend analysis.

4.5.3. The Bidder may also present any creative approaches that might be appropriate and may provide any pertinent supporting documentation.

#### **4.6. COST PROPOSAL (SCORED)**

The Bidder is encouraged to propose a compensation methodology the objective of which is cost containment of fees and expenses, e.g. fees based upon a deliverable.

Additionally, the Bidder must indicate billing rate for each consultant personnel class and state what portion of that rate is direct and indirect cost. For example:

Contract Manager/Account Representative  
Senior Actuary  
Actuary  
Attorney – Partner  
                    Associative  
Senior Analyst  
Analyst  
Clerical  
Others, as appropriate

The rates submitted will form the basis of the financial agreement between the OIC and the Bidder for the period of the contract. Changes to these rates will not be accepted. If extensions to the contract are granted, the OIC may consider some adjustment to rates during the negotiation process. The Bidder must include an explicit statement in the cost proposal that the rates bid in these exhibits are fixed and will not change for the duration of the initial contract period.

Bidders are expected to include travel (time and costs), and other overhead in the hourly consultant charges. In unusual circumstances, Bidder travel costs may be reimbursed, but only with appropriate written authorization by the OIC prior to date of proposed expenditure at a reimbursement rate not to exceed that published by the Washington State Office of Financial Management.

The evaluation process is designed to award this contract to the Bidder whose proposal is the most cost effective and best meets the requirements of this RFP.

### **5. EVALUATION AND CONTRACT AWARD**

#### **5.1. EVALUATION PROCEDURE**

Responsive proposals will be evaluated in accordance with the requirements stated in this solicitation and any addenda issued. The evaluation of proposals will be performed by an evaluation team, to be designated by the OIC, which will determine the ranking of the proposals.

#### **5.2. EVALUATION WEIGHTING AND SCORING**

The following weights will be assigned to the proposal for evaluation purposes:

Evaluation of Proposal	Proportion	Points
A. Management Proposal	25%	50 points
Contract Management		
References		
B. Experience	25%	50 points
C. Technical Proposal	25%	50 points
D. Cost Proposal	25%	50 points
TOTAL	100%	200 points

### 5.3. NOTIFICATION TO PROPOSERS

All Bidders will be notified in writing of acceptance or rejection of their proposal. The OIC will notify all Bidders submitting proposals of any delay in the announcement of award of the contract. Any delay shall be at the sole discretion of the OIC and shall not require an amendment of the RFP.

### 5.4. GENERAL TERMS AND CONDITIONS

The apparent successful Bidder will be expected to enter into a contract with the OIC which is substantially equivalent to the contract attached as Exhibit C, including the OIC's General Terms and Conditions.

**In no event may a Bidder submit its own standard contract terms and conditions as a response to this RFP.** The Bidder may submit exceptions or modifications that their firm may have to the proposed terms and conditions, but the OIC is under no obligation to accept them.

### 5.5. PROTEST PROCEDURE

This procedure is available only to unsuccessful Bidders who submitted a response to this solicitation document. The unsuccessful Bidder is allowed three (3) business days to file a protest of the acquisition with the RFP Coordinator. Protests may be submitted via facsimile, but must be followed by an original document.

Protests of this procurement must follow the procedures described herein. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to unsuccessful Bidders under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included.

All protests must be addressed to the RFP Coordinator.

Only protests raising an issue of fact concerning the following subjects shall be considered:



1. A matter of bias, discrimination, or conflict of interest on the part of the evaluator;
2. Errors in computing the score; or
3. Non-compliance with procedures described in the procurement document or OIC policy.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as:

1. An evaluator's professional judgement on the quality of a proposal, or
2. The OIC's assessment of its own or other agencies needs or requirements.

Upon receipt of a protest, a protest review will be held by the OIC. All available facts will be considered and the Insurance Commissioner or his delegate will issue a decision within five (5) business days of receipt of the protest. If additional time is required the protesting party will be notified of the delay.

In the event a protest may affect the interest of another Bidder that submitted a proposal such Bidder will be given an opportunity to submit its views and any relevant information on the protest to the RFP Coordinator.

The final determination of the protest will:

1. Find the protest lacking in merit and uphold the OIC's action; or
2. Find only technical or harmless errors in the OIC's acquisition process and determine the OIC to be in substantial compliance and reject the protest; or
3. Find merit in the protest and provide the OIC options which may include:
  - Correct the errors and reevaluate all proposals, and/or
  - Reissue the solicitation document and begin a new process, or
  - Make other findings and determine other courses of action as appropriate.

If the OIC determines that the protest is without merit, the OIC will enter into a contract with the apparently successful Bidder. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

## 6. RFP APPENDICES

Exhibit A	Certifications and Assurances
Exhibit B	Checklist for Responsiveness
Exhibit C	Personal Service Contract Format including General Terms and Conditions (GT&C's)

